



North East Procurement Organisation
Guildhall
Quayside
Newcastle upon Tyne
NE1 3AF
Telephone: 0191 433 5949
Email: governance@nepo.org

Jonathan Brown (sent by email)

6th August 2021

Dear Mr Brown,

Freedom of Information Request.

I refer to your request of **NEPRO(3) Supplier Variations**

Your initial request was:

Dear NEPO,

To clarify your earlier response are NEPO stating that you are not aware of any variations in the SDA which would represent a breach of the framework agreement? Or are NEPO stating that they are aware of variations, but this is not subject to FOI and is not a matter of public interest?

The NEPRO website states that suppliers pay a 5% management fee on the successful completion of projects. Does the framework agreement between NEPO and Bloom Procurement Services allow the Neutral Vendor to vary the amount of the fee charged to SPS suppliers?

If variations are not permitted by the framework the SDA is intrinsically and explicitly linked to the framework agreement and so is not a private sector to private sector matter which can be ignored by NEPO. Any material variation from the framework agreement is a public interest matter. And therefore, is covered by and subject to FOI.

If the framework does not allow a fee variation what processes are in place by NEPO to ensure that Bloom is complying with this contractual condition. Through these processes how many suppliers are NEPO aware of who have benefited from a fee variation?

As a supplier to the Bloom marketplace, I believe that Bloom offers rebates to other suppliers (our competitors). What governance does NEPO have in place to ensure there are no breaches/special deals and what action does /will NEPO take when it discovers such activity?

We take this matter very seriously as it puts us at a competitive disadvantage which goes against the whole concept of a “neutral vendor” and puts SME’s like us at a serious disadvantage with larger companies in receipt of a fee variation.

*Yours faithfully,
Jonathan Brown*

NEPO’s response:

To clarify your earlier response are NEPO stating that you are not aware of any variations in the SDA which would represent a breach of the framework agreement? Or are NEPO stating that they are aware of variations, but this is not subject to FOI and is not a matter of public interest?

NEPO are stating that the SDA is an agreement between Bloom Procurement Services Ltd and their supplier(s) and as such this is not covered under FOI.

The NEPRO website states that suppliers pay a 5% management fee on the successful completion of projects. Does the framework agreement between NEPO and Bloom Procurement Services allow the Neutral Vendor to vary the amount of the fee charged to SPS suppliers?

All suppliers pay 5%. The Managed Service Fee payable to the Delivery Partner for all SPS Projects and subsequent Work Order Agreements under this Framework Contract shall be in accordance with that which has been Tendered under the Pricing Schedule at and capped at no more than 5.0%.

The Managed Service Fee is chargeable to the Appointed SPS Provider only and based on the total SPS Proposal cost approved and accepted by the Contracting Authority for any given SPS Project and corresponding Work Order Agreement.

If variations are not permitted by the framework the SDA is intrinsically and explicitly linked to the framework agreement and so is not a private sector to private sector matter which can be ignored by NEPO. Any material variation from the framework agreement is a public interest matter. And therefore, is covered by and subject to FOI.

NEPO do not agree with this for the reason set out above.

If the framework does not allow a fee variation what processes are in place by NEPO to ensure that Bloom is complying with this contractual condition. Through these processes how many suppliers are NEPO aware of who have benefited from a fee variation?

All suppliers pay 5%. NEPO has robust, comprehensive reporting and contract performance monitoring measures which are fully set out in the NEPRO Framework.

As a supplier to the Bloom marketplace, I believe that Bloom offers rebates to other suppliers (our competitors). What governance does NEPO have in place to ensure there are no breaches/special deals and what action does /will NEPO take when it discovers such activity?

NEPO are unable to work with speculation but would welcome evidence. The agreement between Bloom Procurement Services Ltd and NEPO is clear on the required neutrality and any deviation from this would be against this agreement.

We take this matter very seriously as it puts us at a competitive disadvantage which goes against the whole concept of a “neutral vendor” and puts SME’s like us at a serious disadvantage with larger companies in receipt of a fee variation.

NEPRO(3) enjoys much of its success thanks to the principles of neutrality and the fair, open playing field it creates which allows all suppliers, regardless of size, to thrive. Indeed, enabling SME’s who were previously ‘locked out’ of many national public sector offerings has been a major success measure of NEPRO, NEPRO(2) and NEPRO(3). Our recent KPI reporting on awarded contracts through NEPRO, shows over 70% of projects have been awarded to suppliers with SME status.

RIGHT TO REVIEW

You may apply to the Managing Director, Guildhall, Quayside, Newcastle upon Tyne, NE13AF, for an internal review of the decision. This will be a fresh consideration of your request by a more senior officer. If you wish to request a review must do this in writing within 40 days of receipt of this letter.

Following the internal review if you are still unhappy you have a right of appeal to the Information Commissioner as specified below.

You may apply under Section 50 of the Act to the Information Commissioner at the address given below

Information Commissioner, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF

For a decision whether, in any specified respect, a request for information made by you to the Department/office has been dealt with in accordance with the requirements of Part 1 of the Act.

The Information Commissioner shall consider the matter fully and make a fresh decision.

Yours Sincerely

North East Procurement Organisation Governance Team.